

## 2002 Alternative Fuel Vehicle (AFV) Credit

### Phone Numbers

If you have questions, please call one of the following numbers:

Phoenix	(602) 255-3381
From area codes 520 & 928 toll-free	(800) 352-4090
Form orders	(602) 542-4260
Forms by Fax	(602) 542-3756
Recorded Tax Information	
Phoenix	(602) 542-1991
From area codes 520 & 928 toll-free	(800) 845-8192
Hearing impaired TDD user	
Phoenix	(602) 542-4021
From area codes 520 & 928 toll-free	(800) 397-0256

You may also visit our web site at: [www.revenue.state.az.us](http://www.revenue.state.az.us)

### Use of This Form

Use this form to do the following.

- If you elected to have a 2000 taxable year refund from Form 313 refunded in 3 annual installments, use Form 313 to figure how much of that 2000 taxable year refund is allocable to 2002. See Form 313, Part I.
- If you elected to have a 2001 taxable year refund from Form 313 refunded in 2 or 3 annual installments, use Form 313 to figure how much of that 2001 taxable year refund is allocable to 2002. See Form 313, Part II.
- Figure how much of an AFV credit carryover you have available from a prior taxable year.
- Figure any recapture of an AFV credit.

***Do not use Form 313 to claim a credit carryover for a neighborhood electric vehicle (NEV). If you are claiming a credit carryover for a NEV, use Form 328.***

### Line-by-Line Instructions

Enter the names and taxpayer identification numbers (TIN) as shown on Form 140, 140PY, 140NR, 140X, 120, 120A, 120S, 120X, or 165.

All returns, statements, and other documents filed with the Department of Revenue require a taxpayer identification number (TIN). The TIN is either a correct social security number or, for a business, the federal identification number. Paid tax preparers must also include their TIN on forms where requested. Taxpayers and paid preparers who fail to include the preparer TIN may be subject to a penalty. Please check the return to be sure that all required identification numbers are accurate and written clearly.

### Part I - Refund Allocation For Taxpayers That Elected to Have the 2000 Refund Paid Out in 3 Annual Installments

Complete Part I only if you elected to claim the amount of AFV credit refund from your 2000 return in 3 annual installments.

#### Line 1 -

In column (b), enter the credit originally computed for the 2000 taxable year. In column (c), enter the amount of the 2000 taxable year credit that was applied to your 2000 tax plus any amount of column (b) included in the 1<sup>st</sup> annual installment. In column (d), enter the amount of column (b) included in the 2<sup>nd</sup> annual installment. In column (e), subtract the amount in columns (c) and (d) from the amount in column (b). This is the tentative amount available for refund installments.

Complete Parts IV through VIII, as applicable, before entering an amount in column (f). If required, in column (f),

enter the amount from Form 313, Part VIII, line 28.

Subtract the amount in column (f) from the amount in column (e) and enter the difference in column (g). If the amount in column (f) is more than the amount in column (e), enter zero "0" in column (g).

Individuals also enter this amount on Form 140, page 1, line 37, or Form 140PY, page 1, line 39, or Form 140NR, page 1, line 37, or Form 140X, page 1, line 40.

Corporations also enter this amount on Form 120, page 1, line 25, or Form 120A, page 1, line 17, or Form 120X, page 1, line 25.

S corporations that are taking the credit also enter this amount on Form 120S, page 1, line 21.

### Part II - Refund Allocation For Taxpayers That Elected to Have the 2001 Refund Paid Out in Either 2 or 3 Annual Installments

Complete Part II only if you elected to claim the amount of AFV credit refund from your 2001 return in either 2 or 3 annual installments.

#### Line 2 -

In column (b), check whether you elected either 2 or 3 annual installments. In column (c) enter the credit originally computed for the 2001 taxable year. In column (d), enter the amount of the 2001 taxable year credit that was applied to your 2001 tax plus any amount of column (c) included in the 1<sup>st</sup> annual installment. In column (e), subtract the amount in column (d) from the amount in column (c). This is the tentative amount available for refund installments.

Complete Parts IV through VIII, as applicable, before entering an amount in column (f). If required, in column (f), enter the amount from Form 313, Part VIII, line 33.

Subtract the amount in column (f) from the amount in column (e) and enter the difference in column (g). If the amount in column (f) is more than the amount in column (e), enter zero "0" in column (g).

#### Line 3 -

If you elected to have the credit from the 2001 taxable year refunded in 2 annual installments, enter the amount on line 2, column (g). If you elected to have the credit from the 2001 taxable year refunded in 3 annual installments, divide the amount on line 2 column (g) by 2 and enter the result here.

Individuals also enter this amount on Form 140, page 1, line 37, or Form 140PY, page 1, line 39, or Form 140NR, page 1, line 37, or Form 140X, page 1, line 40.

Corporations also enter this amount on Form 120, page 1, line 25, or Form 120A, page 1, line 17, or Form 120X, page 1, line 25.

S corporations that are taking the credit also enter this amount on Form 120S, page 1, line 21.

### Part III - Available Credit Carryover From Taxable Years 1997, 1998, and 1999

#### Lines 4 through 7 -

Use lines 4 through 7 to figure your total available credit carryover from taxable years 1997, 1998, and 1999. Complete lines 4 through 7 only if you claimed an AFV credit on a prior year return for 1997, 1998, and 1999, and the credit was more than your tax.

In column (b), enter the credit originally computed for the taxable year entered in column (a). In column (c), enter the

amount of the credit from that taxable year which you have already used. Subtract the amount in column (c) from the amount in column (b) and enter the difference in column (d). Add the amounts entered on lines 4 through 6 in column (d). Enter the total on line 7, column (d).

**NOTE:** *You must also complete Form 300 (corporations) or Form 301 (individuals) if you are completing Part III of Form 313.*

Corporations and S corporations that elect to take the credit also enter the amount on line 7, column (d), on Arizona Form 300, Part I, line 8.

Individuals also enter the amount on line 7, column (d), on Arizona Form 301, Part I, line 10.

**NOTE Individuals Only:** *If you are married, and you and your spouse file a separate return, you may each take only one-half of the total credit that would otherwise be allowed on a joint return.*

## Part IV – Credit Recapture Computation

### Lines 8 through 15 -

The department is required to disallow the credit or to recapture the credit if any of the following occur:

- The taxpayer transfers the vehicle to any person, other than a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer, within 36 months after the initial registration of the vehicle as an AFV. The recapture will not apply if the vehicle is transferred because the vehicle is demolished or if the taxpayer dies before the end of the 36-month period.
- The vehicle is registered in Arizona for less than 36 months.
- If a bi-fuel vehicle that operates on liquefied petroleum gas does not use liquefied petroleum gas for at least 50% of the fuel used in the vehicle for the first 12 months, at least 50% during months 13 through 24, and at least 50% during months 25 through 36.
- If a bi-fuel vehicle that operates on CNG does not use CNG for at least 25% of the fuel used in the vehicle for the first 12 months, at least 33 1/3% during months 13 through 24, and at least 50% during months 25 through 36.
- The vehicle fails to comply with the emissions inspection requirements for alternative fuel vehicles prescribed in Arizona Revised Statutes, Title 49, Chapter 3, Article 5.

If any of the above occurs, the department must calculate the recapture as follows:

- If the date of the event that causes the recapture is within the first full year after the vehicle is placed in service, 100%.
- If the date of the event that causes the recapture is within the second full year after the vehicle is placed in service, 66 2/3%.
- If the date of the event that causes the recapture is within the third full year after the vehicle is placed in service, 33 1/3%.

Complete lines 8 through 15 as instructed on the form.

## Part V - Lessor/Lessee Information Applicable to the Recapture

### Lines 16 through 25 -

If a credit that is subject to recapture was shared by a lessor and a lessee, then either the lessor or the lessee must

complete Part V to let the other party know their share of the credit recapture.

Complete lines 16 through 25 as instructed on the form.

## Part VI - S Corporation Shareholder Information Applicable to the Recapture

### Lines 26a through 26d -

If the credit was passed through from an S corporation to its shareholders, the S corporation must provide each shareholder with information concerning the shareholder's pro rata share of the credit recapture. The S corporation must complete Part VI, lines 26a through 26d separately for each shareholder. The shareholder must complete Part VIII (lines 28 through 37 as applicable).

## Part VII - Partnership Partner Information Applicable to the Recapture

### Lines 27a through 27d -

If the credit was passed through from a partnership to its partners, the partnership must provide each partner with information concerning the partner's pro rata share of the credit recapture. The partnership must complete Part VII, lines 27a through 27d separately for each partner. The partner must complete Part VIII (lines 28 through 37 as applicable).

## Part VIII - All Taxpayers Subject to the Recapture

### Lines 28 through 37 -

Complete lines 28 through 37 as instructed on the form.

## Equitable Relief

If the taxpayer transfers the vehicle to any person, other than a member of the taxpayer's immediate family or a person who resides in the same household as the taxpayer, within 36 months after the initial registration of the vehicle or if the vehicle is registered in Arizona for less than 36 months, or fails to meet the fuel usage or emission requirements, the taxpayer may be eligible for equitable relief if both of the following apply:

1. The taxpayer was unable to meet the above requirements due to circumstances that would make the requirement unfair or inequitable to the taxpayer; and
2. The taxpayer acted in good faith and intended to primarily propel the vehicle with alternative fuel.

See Department of Revenue general tax procedure, GTP 01-02 for more information about equitable relief.

Use Form AFV-RR, *Request for Relief From Alternative Fuel Vehicle Requirements*, to apply for equitable relief.

### Where Should I Mail My Return?

Attach this form to your Arizona income tax return, and mail your return to: Arizona Department of Revenue, 1600 W. Monroe, Attention: Alt Fuel, Phoenix AZ 85007-2650. Do not mail your return to the address indicated on the tax return.